

## Message Text

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PAGE 01 LAGOS 00487 160311Z

64

ACTION EB-07

INFO OCT-01 AF-06 ISO-00 AS-01 FEA-01 AEC-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01 /086 W

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R 151533Z JAN 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 7584

UNCLAS LAGOS 00487

E.O. 11652 : NA

TAGS : ENRG, NI

SUBJ : OIL MARKETING BY NATIONAL COMPANIES IN NIGERIA

REF : STATE 009029

1. WITH EXCEPTION OF LPG, SEVEN FOREIGN -OWNED OIL COMPANIES MARKET ALL REFINED PETROLEUM PRODUCTS CONSUMED IN NIGERIA. HOWEVER, FMG ANNOUNCED SOME TIME AGO ITS INTENTION TO PARTICIPATE DIRECTLY IN OIL MARKETING, AND AGREEMENT GIVING FMG MAJORITY INTEREST IN SHELL NIGERIA LIMITED HAS BEEN NEGOTIATED. UNCERTAINTY PERISTS REGARDING DATE FMG WILL IMPLEMENT THIS AGREEMENT, FATE THEREAFTER OF REMAINING SIX COMPANIES, AND NEW CONTROLS FMG MIGHT IMPOSE TO FAVOR NATIONALLY CONTROLLED COMPANY OR COMPANIES.

2. TOTAL CONSUMPTION OF REFINED PRODUCTS IN 1974 WAS 19 MILLION BARRELS (PLUS ABOUT 200,000 BARRELS OF LPG) FOR AVERAGE OF 52,000 BARRELS PER DAY.

3. FYI. THE 100-PERCENT GOVERNMENT-OWNED NATIONAL NIGERIAN CORPORATION(NNOC) HAS LEGAL AUTHORITY TO MARKET PETROLEUM PRODUCTS, BUT IT IS NOT YET KNOWN IF GOVERNMENT PARTICIPATION  
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PAGE 02 LAGOS 00487 160311Z

IN DOMESTIC MARKETING WHEN IT OCCURS WILL BE ADMINISTERED

BY NNOC, A SUBSIDIARY, OR A SEPARATE ENTITY.

ONLY REFINERY IN NIGERIA IS OWNED AND OPERATED BY NIGERIAN  
PETROLEUM REFINING COMPANY (NPRC) WHICH IS OWNED 60-PERCENT  
BY FMG, 20-PERCENT BY BP, AND 20-PERCENT BY SHELL.

FMG HAS DETERMINED THAT FUTURE REFINERIES INTENDED PRIMARILY  
FOR SUPPLYING THE DOMESTIC MARKET, INCLUDING THE 100,000 B/D  
REFINERY WHICH SHOULD BE UNDER CONSTRUCTION IN WARRI LATER  
THIS YEAR, WILL BE 100-PERCENT GOVERNMENT-OWNED, BUT DECISION  
NOT YET TAKEN IF NNOC, SUBSIDIARY, OR SEPARATE ENTITY WILL  
OPERATE THEM. END FYI.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, POLICIES, FINANCIAL PROGRAMS, FINANCIAL RESERVES, PETROLEUM RESERVES  
**Control Number:** n/a  
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**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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